



Université
de Limoges



2021 ANR CaLiBank¹ Project Workshop

The Post-Crisis Banking Industry: How will banks respond to tighter regulatory constraints

Monday, January 25, 2021

PRESENTATION OF LAPE'S RESEARCH WORKS (09:00 – 10:15)

- 09:00 – 09:30 *Introductory Presentation of the ANR project
Presentation of LAPE's research focus, topics on capital & liquidity*
Amine TARAZI, Coordinator, CaLiBank Project
- 09:30 – 9:45 *Liquidity Regulation and Bank Lending*
Foly ANANOU
- 9:45 – 10:00 *Bank Capital and Liquidity Adjustments during Crisis Periods*
Oussama LABCHARA
- 10:00 – 10:15 Discussion
- 10:15 – 10:30 Break

PRESENTATION OF LEO'S RESEARCH WORKS (10:30 – 11:45)

- 10:30 – 10:50 *Presentation of LEO's research works (Econometrics Team) and discussion of research ideas*
Sessi TOKPAVI, LEO's Scientific Leader, CaLiBank Project
- 10:50 – 11:10 *Presentation of LEO's research works (Macroeconomics and Finance Team) and discussion of research ideas*
Yannick LUCOTTE
- 11:10 – 11:30 *Latent Factor Model for Default Tail Risk: An Integrated Approach to Systemic Risk Evaluation*
Sullivan HUE
- 11:30 – 11:45 Discussion

GENERAL DISCUSSION AND CONCLUDING REMARKS (11:45-12:00)



Erasmus
University
Rotterdam



CaLiBank¹

The Post-Crisis Banking Industry: How will banks respond to tighter regulatory constraints?

Project Summary

The global financial crisis of 2007-09 uncovered many inadequacies in existing banking system regulations. In response to the severe malfunctioning of mainly Western banking institutions, the Basel Committee on Banking Supervision redesigned and tightened the regulatory requirements under which banks must operate (Basel III). Basel III introduces for the first time, minimum liquidity requirements to ensure that banks hold enough liquid assets to withstand creditor runs during financial crises. These rules are added to existing capital requirements that are also stricter than before especially for the world's largest and most 'systemically important' banks. The CaLiBank project aims to provide a rigorous investigation into the expected responses of banks to the tightening of bank capital and liquidity rules mandated by Basel III. Will banks reduce lending? Will they pursue less risky or riskier activities? The project will assess the extent to which the new regulatory rules could affect the intermediation role of banks, which is vital for firm innovation and growth. CaLiBank will also highlight the particular response of systemically important banks to the changes in capital requirements in the presence of the new regulatory liquidity constraints. Such giants can pose a real threat to the world economy and hence, require special attention. CaLiBank gathers researchers with a strong background in the fields of banking, finance and financial econometrics, from two French research centers (LAPE, Université de Limoges and LEO, Université d'Orléans), augmented by experts in Banking from Europe and the U.S.. Beyond its scientific objectives, CaLiBank aims at promoting a reproducible research in finance. Finally, the CaLiBank project also includes a doctoral training program and two summer schools in the fields of banking, finance and financial econometrics for the PhD students of the two partners.

¹ ANR Research Grant, CaLiBank (ANR-19-CE26-0002), "The Post-Crisis Banking Industry: How will banks respond to tighter regulatory constraints?"